

[Unapproved and Subject to Change]
CALIFORNIA FAIR POLITICAL PRACTICES COMMISSION
MINUTES OF MEETING, Public Session

August 16, 2007

Call To Order: Chairman Ross Johnson called the meeting to order at 10:00 a.m., at 428 J Street, Eighth Floor, Sacramento, California. Chairman Johnson, Commissioners Ray Remy, Gene Huguenin, Bob Leidigh, and Timothy A. Hodson were present.

Item #1. Public Comment. This portion of the meeting is reserved for comment on items not on the agenda. Under the Bagley-Keene Open Meeting Act, the Commission cannot act on items raised during public comment, but may respond briefly to statements made or questions posed, request clarification, or refer the item to staff.

The following individuals requested that the Commission's dial-in service for Commission meetings be reinstated: James Alan Sivesind, of Reed & Davidson, LLP; and Betty Ann Downing, of Kaufman & Downing, LLP.

Item #2 Approval of the June 14, 2007, Commission meeting minutes.

Moved by Commissioner Remy and seconded by Commissioner Leidigh to adopt the June 14, 2007, Commission meeting minutes.

AYES: Commissioners Remy, Huguenin, Leidigh, Hodson, and Chairman Johnson.

The motion passed 5-0.

Item #3 In the Matter of Robert Huff, Taxpayers for Bob Huff, and Mei Mei Huff, FPPC No. 04-023. Staff: Senior Commission Counsel Melodee A. Mathay and Investigator III Sandra Buckner. Respondent Robert Huff is currently a member of the State Assembly, representing the 60th District in Los Angeles County. Respondent Huff was first elected to his Assembly seat in the November 2, 2004 general election. Respondent Taxpayers for Bob Huff (the "Committee") was Respondent Huff's controlled committee for the 2004 election campaign. Respondent Mei Mei Huff served as the Committee's treasurer. In this matter, Respondents failed to electronically file reports disclosing the receipt of loans to the Committee totaling \$184,000, in violation of Government Code Section 85309 (3 counts), and failed to timely file a statement of intention to be a candidate, in violation of Government Code Section 85200 (1 count).

Moved by Commissioner Remy and seconded by Commissioner Leidigh to approve a decision and order finding a violation of four counts and a seven thousand dollar (\$7,000) monetary penalty.

AYES: Commissioners Remy, Huguenin, Leidigh, Hodson, and Chairman Johnson.

The motion passed 5-0.

Item #4 In the Matter of Steve Padilla, Friends of Steve Padilla 2002, and Donald Wroe, FPPC No. 05-383. Staff: Senior Commission Counsel Melodee A. Mathay and Investigator III Sandra Buckner. Respondent Steve Padilla was a member of the Chula Vista City Council, located in San Diego County, from 1994 through 2002. Respondent Friends of Steve Padilla

2002 (the "Committee") was the controlled committee of Respondent Padilla. Respondent Donald Wroe was the Committee's treasurer. In September 2002, during a run-off campaign for mayor of Chula Vista, Respondents received cash contributions totaling \$2,850, in violation of Government Code Section 84300, subdivision (a) (1 count).

Moved by Commissioner Remy and seconded by Commissioner Leidigh to approve a decision and order finding a violation of one count and a four thousand dollar (\$4,000) monetary penalty. AYES: Commissioners Remy, Huguenin, Leidigh, Hodson, and Chairman Johnson. The motion passed 5-0.

Item #5 In the Matter of Michael S. Carona, Friends of Mike Carona, and Lesley Ann Stoll, FPPC No. 06-059. Staff: Commission Counsel Jesse Mainardi and Accounting Specialist Bob Perna. Respondents Michael S. Carona, his controlled committee, Friends of Mike Carona, and its treasurer, Lesley Ann Stoll, failed to report officeholder expenditures as nonmonetary contributions where the expenditures were made with Respondent Carona's personal funds and were not reimbursed within a 90-day period, in violation of Section 89511.5, subdivision (d) of the Government Code (1 count). Respondents also failed to correctly report their expenditures and balance of cash and cash equivalents on hand, in violation of Section 84211, subdivisions (b) and (e) of the Government Code (7 counts).

Moved by Commissioner Remy and seconded by Commissioner Hodson to approve a decision and order finding a violation of eight counts and a fifteen thousand dollar (\$15,000) monetary penalty. AYES: Commissioners Remy, Huguenin, Hodson, and Chairman Johnson. Commissioner Leidigh abstained. The motion passed 4-0.

Item #6 In the Matter of James C. Ledford, Jr. and Committee to Re-elect Jim Ledford, FPPC No. 06-801. Staff: Commission Counsel Galena West and Accounting Specialist Luz Bonetti. Respondent James C. Ledford, Jr. and the Committee to Re-elect Jim Ledford failed to disclose three late non-monetary contributions totaling approximately \$15,000 made to Steve Hofbauer, Raul Figueroa, and Robert "Bo" Bynum, on or about November 3, 2003, in a properly filed late contribution report, in violation of Section 84203 of the Government Code (1 count).

In response to questions from Commissioner Leidigh, Enforcement counsel confirmed that count one was for failure to file a late contribution report and not a late independent expenditure report, and that the contribution to Mr. Hofbauer, a city council candidate, was a relatively a small percentage of his total campaign expenditures.

Moved by Commissioner Huguenin, seconded by Commissioner Leidigh to approve a decision and order finding a violation of one count and a three thousand five hundred dollar (\$3,500) monetary penalty. AYES: Commissioners Remy, Huguenin, Leidigh, Hodson, and Chairman Johnson. The motion passed 5-0.

Item #7 In the Matter of John Kambish, FPPC No. 06-476. Staff: Political Reform Consultant Jeanette Turvill. John Kambish, a member of the Santa Clara Valley Transportation

Authority Deferred Compensation Committee, failed to timely file his 2005 annual statement of economic interests in violation of Section 87300 of the Government Code (1 count).

Moved by Commissioner Remy and seconded by Commissioner Leidigh to approve a decision and order finding a violation of one count and a one hundred dollar (\$100) monetary penalty.

AYES: Commissioners Remy, Huguenin, Leidigh, Hodson, and Chairman Johnson.

The motion passed 5-0.

Item #8 In the Matter of Dan Medina, FPPC No. 06-507. Staff: Political Reform Consultant Jeanette Turvill. Dan Medina, a member of the City of Gardena Public Improvement Corporation, failed to timely file his 2005 annual statement of economic interests in violation of Section 87300 of the Government Code (1 count).

Moved by Commissioner Remy and seconded by Commissioner Leidigh to approve a decision and order finding a violation of one count and a one hundred dollar (\$100) monetary penalty.

AYES: Commissioners Remy, Huguenin, Leidigh, Hodson, and Chairman Johnson.

The motion passed 5-0.

Item #9 In the Matter of Khristina Horn, FPPC No. 06-1092. Staff: Political Reform Consultant Teri Rindahl. Khristina Horn, Commissioner, Commission for the Prevention of Violence Against Women, failed to timely file her assuming office statement of economic interests in violation of Government Code Section 87300 (1 count).

Moved by Commissioner Remy and seconded by Commissioner Leidigh to approve a decision and order finding a violation of one count and a one hundred dollar (\$100) monetary penalty.

AYES: Commissioners Remy, Huguenin, Leidigh, Hodson, and Chairman Johnson.

The motion passed 5-0.

Item #10 In the Matter of George Chavez, FPPC No. 06-994. Staff: Political Reform Consultant Teri Rindahl. George Chavez, Alternate Commissioner, Strawberry Commission, failed to timely file his 2005 annual statement of economic interests in violation of Government Code Section 87302 (1 count).

Moved by Commissioner Remy and seconded by Commissioner Leidigh to approve a decision and order finding a violation of one count and a two hundred fifty dollar (\$250) monetary penalty.

AYES: Commissioners Remy, Huguenin, Leidigh, Hodson, and Chairman Johnson.

The motion passed 5-0.

Item #11 In the Matter of G. Tyler Nelson, FPPC No. 06-1093. Staff: Political Reform Consultant Teri Rindahl. G. Tyler Nelson, Mendocino County Resource Conservation District Member, failed to timely file his 2005 annual statement of economic interests in violation of Government Code Section 87300 (1 count).

Moved by Commissioner Remy and seconded by Commissioner Leidigh to approve a decision and order finding a violation of one count and a one hundred dollar (\$100) monetary penalty.

AYES: Commissioners Remy, Huguenin, Leidigh, Hodson, and Chairman Johnson.
The motion passed 5-0.

Item #12 In the Matter of State Farm Insurance Companies, FPPC No. 06-704. Staff: Division Chief Amanda Saxton and Political Reform Consultant Jeanette Turvill. Respondent State Farm Insurance Companies failed to timely file a semi-annual major donor campaign statement electronically by the January 31, 2005, deadline, in violation of Section 84605, subdivision (a) of the Government Code (1 count).

Moved by Commissioner Remy and seconded by Commissioner Leidigh to approve a decision and order finding a violation of one count and a three thousand dollar (\$3,000) monetary penalty.
AYES: Commissioners Remy, Huguenin, Leidigh, Hodson, and Chairman Johnson.
The motion passed 5-0.

Item #13 Failure to Timely File Major Donor Campaign Statements. Staff: Chief Investigator Sue Straine and Political Reform Consultant Sandy Johnson. The following entities have entered into a stipulation for failing to file major donor campaign statements that were due during calendar years 2004, 2005 or 2006, in violation of Government Code Section 84200:

- a. In the Matter of Lundgren Management Corporation, FPPC No. 07-0128.** Lundgren Management Corporation, of Valencia, failed to timely file a semi-annual campaign statement disclosing contributions totaling \$15,000 in 2006 (1 count).

Moved by Commissioner Remy and seconded by Commissioner Leidigh to approve a decision and order finding a violation of one count and a four hundred dollar (\$400) monetary penalty.
AYES: Commissioners Remy, Huguenin, Leidigh, Hodson, and Chairman Johnson.
The motion passed 5-0.

- b. In the Matter of Thomas W. Sudberry, Jr. & Sudberry Properties, Inc., FPPC No. 07-0198.** Thomas W. Sudberry, Jr. & Sudberry Properties, Inc., of San Diego, failed to timely file semi-annual campaign statements disclosing contributions totaling \$39,175 in 2005 (2 counts).

Moved by Commissioner Remy and seconded by Commissioner Leidigh to approve a decision and order finding a violation of two counts and a nine hundred fifty two dollar and seventy-nine cent (\$952.79) monetary penalty.
AYES: Commissioners Remy, Huguenin, Leidigh, Hodson, and Chairman Johnson.
The motion passed 5-0.

- c. In the Matter of Flextronics International USA, Inc., FPPC No. 07-0241.** Flextronics International USA, Inc., of San Jose, failed to timely file semi-annual campaign statements disclosing contributions totaling \$50,000 in 2005 (2 counts).

Moved by Commissioner Remy and seconded by Commissioner Leidigh to approve a decision and order finding a violation of two counts and an eight hundred dollar (\$800) monetary penalty.
AYES: Commissioners Remy, Huguenin, Leidigh, Hodson, and Chairman Johnson.

The motion passed 5-0.

- d. In the Matter of Bob Filner For Congress, FPPC No. 07-0261.** Bob Filner For Congress, of San Diego, failed to timely file a semi-annual campaign statement disclosing contributions totaling \$25,000 in 2005 (1 count).

Moved by Commissioner Remy and seconded by Commissioner Leidigh to approve a decision and order finding a violation of one count and a four hundred dollar (\$400) monetary penalty.
AYES: Commissioners Remy, Huguenin, Leidigh, Hodson, and Chairman Johnson.
The motion passed 5-0.

- e. In the Matter of Roma B. Wittcoff, FPPC No. 07-0272.** Roma B. Wittcoff, of Scottsdale, Arizona, failed to timely file a semi-annual campaign statement disclosing contributions totaling \$100,000 in 2005 (1 count).

Moved by Commissioner Remy and seconded by Commissioner Leidigh to approve a decision and order finding a violation of one count and a one thousand eight hundred dollar (\$1,800) monetary penalty.
AYES: Commissioners Remy, Huguenin, Leidigh, Hodson, and Chairman Johnson.
The motion passed 5-0.

- f. In the Matter of Antonios M. Kounalakis, FPPC No. 07-0277.** Antonios M. Kounalakis, of Woodside, failed to timely file a semi-annual campaign statement disclosing contributions totaling \$22,300 in 2005 (1 count).

Moved by Commissioner Remy and seconded by Commissioner Leidigh to approve a decision and order finding a violation of one count and a four hundred dollar (\$400) monetary penalty.
AYES: Commissioners Remy, Huguenin, Leidigh, Hodson, and Chairman Johnson.
The motion passed 5-0.

- g. In the Matter of Mark Gorenberg, FPPC No. 06-0292.** Mark Gorenberg, of San Francisco, failed to timely file a semi-annual campaign statement disclosing contributions totaling \$31,100 in 2004 (1 count).

Moved by Commissioner Remy and seconded by Commissioner Leidigh to approve a decision and order finding a violation of one count and a four hundred dollar (\$400) monetary penalty.
AYES: Commissioners Remy, Huguenin, Leidigh, Hodson, and Chairman Johnson.
The motion passed 5-0.

- h. In the Matter of Mary-Jane Wagle, FPPC No. 07-0308.** Mary-Jane Wagle, of Los Angeles, failed to timely file semi-annual campaign statements disclosing contributions totaling \$20,908.13 in 2005 (2 counts).

This item was removed from the agenda.

- i. **In the Matter of CommerceWest Bank, FPPC No. 07-0346.** CommerceWest Bank, of Irvine, failed to timely file a semi-annual campaign statement disclosing contributions totaling \$10,000 in 2006 (1 count).

Moved by Commissioner Remy and seconded by Commissioner Leidigh to approve a decision and order finding a violation of one count and a four hundred dollar (\$400) monetary penalty.
AYES: Commissioners Remy, Huguenin, Leidigh, Hodson, and Chairman Johnson.
The motion passed 5-0.

Item #14 Failure to Timely File Late Contribution Reports – Proactive Program. Staff: Chief Investigator Sue Straine and Political Reform Consultant Sandy Johnson. The following persons have entered into a stipulation for failure to file a late contribution report in 2004, 2005 or 2006 in violation of Government Code Section 84203:

- a. **In the Matter of Jeanette A. King, FPPC No. 06-0165.** Jeanette A. King, of Livermore, failed to timely disclose late contributions totaling \$19,000 (1 count).

Moved by Commissioner Remy and seconded by Commissioner Leidigh to approve a decision and order finding a violation of one count and a two thousand eight hundred fifty dollar (\$2,850) monetary penalty.
AYES: Commissioners Remy, Huguenin, Leidigh, Hodson, and Chairman Johnson.
The motion passed 5-0.

- b. **In the Matter of Thoroughbred Owners of California Purse Support Fund, FPPC No. 07-0181.** Thoroughbred Owners of California Purse Support Fund, of Del Mar, failed to timely disclose late contributions totaling \$50,000 (1 count).

Moved by Commissioner Remy and seconded by Commissioner Leidigh to approve a decision and order finding a violation of one count and a three thousand five hundred dollar (\$3,500) monetary penalty.
AYES: Commissioners Remy, Huguenin, Leidigh, Hodson, and Chairman Johnson.
The motion passed 5-0.

- c. **In the Matter of John McNellis, FPPC No. 07-0221.** John McNellis, of Palo Alto, failed to timely disclose late contributions totaling \$10,000 (1 count).

Moved by Commissioner Remy and seconded by Commissioner Leidigh to approve a decision and order finding a violation of one count and a one thousand five hundred dollar (\$1,500) monetary penalty.
AYES: Commissioners Remy, Huguenin, Leidigh, Hodson, and Chairman Johnson.
The motion passed 5-0.

- d. **In the Matter of Kurt Ohms, FPPC No. 07-0230.** Kurt Ohms, of Palo Alto, failed to timely disclose late contributions totaling \$25,000 (1 count).

Moved by Commissioner Remy and seconded by Commissioner Leidigh to approve a decision and order finding a violation of one count and a three thousand five hundred dollar (\$3,500) monetary penalty.

AYES: Commissioners Remy, Huguenin, Leidigh, Hodson, and Chairman Johnson.

The motion passed 5-0.

e. In the Matter of Lytle Development Co. & Affiliated Entities, FPPC No. 07-0294.

Lytle Development Co. & Affiliated Entities, of Anaheim Hills, failed to timely disclose late contributions totaling \$15,000 (3 counts).

Moved by Commissioner Remy and seconded by Commissioner Leidigh to approve a decision and order finding a violation of 3 counts and a two thousand two hundred fifty dollar (\$2,250) monetary penalty.

AYES: Commissioners Remy, Huguenin, Leidigh, Hodson, and Chairman Johnson.

The motion passed 5-0.

f. In the Matter of Flextronics International USA, Inc., FPPC No. 07-0240.

Flextronics International USA, Inc., of San Jose, failed to timely disclose late contributions totaling \$25,000 (1 count).

Moved by Commissioner Remy and seconded by Commissioner Leidigh to approve a decision and order finding a violation of one count and a three thousand five hundred dollar (\$3,500) monetary penalty.

AYES: Commissioners Remy, Huguenin, Leidigh, Hodson, and Chairman Johnson.

The motion passed 5-0.

g. In the Matter of Bob Filner For Congress, FPPC No. 07-0269. Bob Filner For Congress, of San Diego, failed to timely disclose late contributions totaling \$25,000 (1 count).

Moved by Commissioner Remy and seconded by Commissioner Leidigh to approve a decision and order finding a violation of one count and a three thousand five hundred dollar (\$3,500) monetary penalty.

AYES: Commissioners Remy, Huguenin, Leidigh, Hodson, and Chairman Johnson.

The motion passed 5-0.

h. In the Matter of Visa U.S.A., Inc., FPPC No. 07-0278. Visa U.S.A., Inc., of Washington, DC, failed to timely disclose late contributions totaling \$25,000 (2 counts).

Moved by Commissioner Remy and seconded by Commissioner Huguenin to approve a decision and order finding a violation of two counts and a three thousand seven hundred fifty dollar (\$3,750) monetary penalty.

AYES: Commissioners Remy, Huguenin, Hodson, and Chairman Johnson.

The motion passed 4-0. Commissioner Leidigh abstained.

- i. In the Matter of Jamie B. Coulter, FPPC No. 07-0287.** Jamie B. Coulter, of Dallas, Texas, failed to timely disclose late contributions totaling \$15,000 (1 count).

Moved by Commissioner Remy and seconded by Commissioner Leidigh to approve a decision and order finding a violation of one count and a two thousand two hundred fifty dollar (\$2,250) monetary penalty.

AYES: Commissioners Remy, Huguenin, Leidigh, Hodson, and Chairman Johnson.

The motion passed 5-0.

- j. In the Matter of J. Holley Taylor, FPPC No. 07-0288.** J. Holley Taylor, of Gainesville, Florida, failed to timely disclose late contributions totaling \$10,000 (1 count).

Moved by Commissioner Remy and seconded by Commissioner Leidigh to approve a decision and order finding a violation of one count and a one thousand five hundred dollar (\$1,500) monetary penalty.

AYES: Commissioners Remy, Huguenin, Leidigh, Hodson, and Chairman Johnson.

The motion passed 5-0.

- k. In the Matter of Claire A. Van Konynenburg, FPPC No. 07-0289.** Claire A. Van Konynenburg, of Pacific Palisades, failed to timely disclose late contributions totaling \$10,000 (1 count).

Moved by Commissioner Remy and seconded by Commissioner Leidigh to approve a decision and order finding a violation of one count and a one thousand five hundred dollar (\$1,500) monetary penalty.

AYES: Commissioners Remy, Huguenin, Leidigh, Hodson, and Chairman Johnson.

The motion passed 5-0.

- l. In the Matter of Dan Richard, FPPC No. 07-0290.** Dan Richard, of Piedmont, failed to timely disclose late contributions totaling \$10,000 (1 count).

Moved by Commissioner Remy and seconded by Commissioner Leidigh to approve a decision and order finding a violation of one count and a one thousand five hundred dollar (\$1,500) monetary penalty.

AYES: Commissioners Remy, Huguenin, Leidigh, Hodson, and Chairman Johnson.

The motion passed 5-0.

- m. In the Matter of Colorado Commons, LLC, FPPC No. 07-0292.** Colorado Commons, LLC, of Los Angeles, failed to timely disclose late contributions totaling \$10,000 (1 count).

Moved by Commissioner Remy and seconded by Commissioner Leidigh to approve a decision and order finding a violation of one count and a one thousand five hundred dollar (\$1,500) monetary penalty.

AYES: Commissioners Remy, Huguenin, Leidigh, Hodson, and Chairman Johnson.

The motion passed 5-0.

- n. In the Matter of Public Financial Management, Inc., FPPC No. 07-0296.** Public Financial Management, Inc., of Philadelphia, Pennsylvania, failed to timely disclose late contributions totaling \$10,000 in 2006 (2 counts).

Moved by Commissioner Remy and seconded by Commissioner Leidigh to approve a decision and order finding a violation of two counts and a one thousand five hundred dollar (\$1,500) monetary penalty.

AYES: Commissioners Remy, Huguenin, Leidigh, Hodson, and Chairman Johnson.

The motion passed 5-0.

- o. In the Matter of Lenny Mendonca, FPPC No. 07-0300.** Lenny Mendonca, of Montara, failed to timely disclose late contributions totaling \$16,450 (4 counts).

Moved by Commissioner Remy and seconded by Commissioner Leidigh to approve a decision and order finding a violation of four counts and a two thousand four hundred sixty seven dollar and fifty cent (\$2,467.50) monetary penalty.

AYES: Commissioners Remy, Huguenin, Leidigh, Hodson, and Chairman Johnson.

The motion passed 5-0.

- p. In the Matter of D. Michael Van Konynenburg, FPPC No. 07-0301.** D. Michael Van Konynenburg, of Pacific Palisades, failed to timely disclose late contributions totaling \$10,000 (1 count).

Moved by Commissioner Remy and seconded by Commissioner Leidigh to approve a decision and order finding a violation of one count and a one thousand five hundred dollar (\$1,500) monetary penalty.

AYES: Commissioners Remy, Huguenin, Leidigh, Hodson, and Chairman Johnson.

The motion passed 5-0.

- q. In the Matter of Mary-Jane Wagle, FPPC No. 07-0307.** Mary-Jane Wagle, of Los Angeles, failed to timely disclose late contributions totaling \$13,050 (2 counts).

Moved by Commissioner Remy and seconded by Commissioner Leidigh to approve a decision and order finding a violation of two counts and a one thousand nine hundred fifty seven dollar and fifty cent (\$1,957.50) monetary penalty.

AYES: Commissioners Remy, Huguenin, Leidigh, Hodson, and Chairman Johnson.

The motion passed 5-0.

Item #15 Adoption of Regulation 18420.5 – Campaign Filing Requirements for the February 5, 2008 Statewide Election. Staff: Technical Assistance Chief Carla Wardlow, Senior Commission Counsel Hyla Wagner and General Counsel Scott Hallabrin. Because California's presidential primary election has been moved forward to February 5, 2008, this

proposed regulation clarifies the filing schedule for state measures and any state candidates on the February 5, 2008 ballot. There were no public comments on the regulation.

Moved by Commissioner Huguenin and seconded by Commissioner Remy to adopt Regulation 18420.5.

AYES: Commissioners Remy, Huguenin Leidigh, Hodson, and Chairman Johnson.

The motion passed 5-0.

Item #16 Adoption of Regulation 18466 – State Ballot Measures Contributions and Expenditures; Online Reports. Staff: Senior Commission Counsel Hyla Wagner and General Counsel Scott Hallabrin. Section 84204.5, added to the Act in 2006, requires additional online disclosure of the sources of funding for state ballot measures. Proposed Regulation 18466 clarifies these new disclosure requirements. Staff suggested specific modifications to the Regulation as suggested in written comments. There were no comments from the audience on the regulation.

Moved by Commissioner Huguenin and seconded by Commissioner Hodson to adopt Regulation 18466 with the modifications suggested by staff.

AYES: Commissioners Remy, Huguenin Leidigh, Hodson, and Chairman Johnson.

The motion passed 5-0.

Item #17 Adoption of Regulation 18440 – Telephone Advocacy. Staff: Commission Counsel Brian G. Lau and General Counsel Scott Hallabrin. Staff proposes Regulation 18440 interpreting the Act's disclosure requirements for telephone calls paid for by a candidate, committee, or slate mailer organization in Government Code Section 84310. This proposed regulation clarifies the disclosure statement required if (1) calls are paid for by a person at the behest of a candidate or committee and if (2) calls are paid for or authorized by multiple candidates, committees, and slate mailers. Staff suggested specific modifications to the regulation based on comments received prior to the Commission meeting. There were no comments from the audience on the regulation.

Moved by Commissioner Huguenin and seconded by Commissioner Remy to adopt Regulation 18440 with the modifications proposed by staff.

AYES: Commissioners Remy, Huguenin, Hodson, and Chairman Johnson. Commissioner Leidigh abstained. The motion passed 4-0.

Item #18 Adoption of Regulation 18361, Amendment to Regulations 18361.7 and 18360(g) - Expansion of Executive Director's Discretion to Delegate Authority to Conduct Probable Cause Hearings. Staff: Senior Commission Counsel Lawrence T. Woodlock, General Counsel Scott Hallabrin. Staff proposes adoption of amendments to Regulation 18361.7, a technical amendment to Regulation 18360(g), and adoption of a new Regulation 18361, enabling the Executive Director to delegate to Commission staff, in addition to the General Counsel, authority over probable cause proceedings and related enforcement duties. This expanded discretion would ensure that these duties are carried out with fairness and impartiality to all parties. There were no public comments on the regulation.

Moved by Commissioner Huguenin and seconded by Commissioner Hodson to adopt Regulation 18361 and amend Regulation 18361.7 and Regulation 18360(g) as proposed by staff.

AYES: Commissioners Remy, Huguenin, Leidigh, Hodson, and Chairman Johnson.

The motion passed 5-0.

Item #19 Repeal of Regulation 18530.9. Staff: Senior Commission Counsel Lawrence T. Woodlock and General Counsel Scott Hallabrin. Staff proposes repeal of Regulation 18530.9 in response to judicial decisions reported in *Citizens to Save California vs. Fair Political Practices Commission* (2006) 145 Cal.App.4th 736. The matter was settled after the appellate court remanded the case for further proceedings, and a stipulated judgment was entered by the trial court on May 18, 2007 which, among other things, permanently enjoined enforcement of Regulation 18530.9. Repeal of the regulation acknowledges the reality of an injunction barring its enforcement. There were no public comments on the repeal.

Moved by Commissioner Remy and seconded by Commissioner Hodson to repeal Regulation 18530.9.

AYES: Commissioners Remy, Huguenin, Leidigh, Hodson, and Chairman Johnson.

The motion passed 5-0.

Item #20 Adoption of Proposed Amendments to Regulation 18351 – The Commission’s Conflict-of-Interest Code. Staff: Senior Commission Counsel Andreas C. Rockas, Technical Assistance Division Chief Carla Wardlow, and General Counsel Scott Hallabrin. As a result of the Act’s mandate that all state agencies conduct a biennial review of their conflict-of-interest codes, and the changes made to Commission staff job classifications and titles, it has become necessary to amend the Commission’s code. There were no public comments on the regulation.

Moved by Commissioner Huguenin, and seconded by Commissioner Leidigh to adopt amendments to Regulation 18351 as proposed by staff.

AYES: Commissioners Remy, Leidigh, Hodson, and Chairman Johnson.

The motion passed 5-0.

Legislative Report. Staff: Government Affairs Director Whitney Barazoto. Commissioner Remy noted on SB 130, which deals with the part time Commissioners’ compensation, that at some point it may be worthwhile to look at the issue. He suggested that the part time Commissioners should be compensated at a flat rate of \$1000 per month, including expenses. He also indicated his preference that, for the sake of continuity, impartiality, and experience, each Commissioner should serve a term of five years rather than four.

Litigation Report. Staff: General Counsel Scott Hallabrin. Legal Division had nothing to report.

Executive Director’s Report. Staff: Executive Director Michael B. Salerno. He corrected one item, that Susan Busath had declined the position of Commission Assistant due to a personal matter. The Chairman acknowledged staff that was assisting in taking minutes in lieu of the Commission Assistant. The Executive Director Michael B. Salerno introduced this staff as Virginia Latteri-Lopez, the new Regulations Coordinator, and Juanita Lira, Legal

Secretary in the Legal Division.

Chairman's Report. Chairman Ross Johnson.

Chairman Johnson acknowledged the staff's hard work and dedication. He specifically mentioned: Jason Painter, on his work on upgrading the Commission's information system, and Jennifer Clark, working to update the Commission's telephone services. He also mentioned the Enforcement Division under new Chief of Enforcement, Amanda Saxton, for reducing the Enforcement case backlog by approximately 200 cases even though being short of staff. The Chairman stated that it is not fair to the person accused, the person making the complaint, or the voters and people of California for Enforcement cases to remain open interminably. The Chairman announced that UC Hastings students will be assisting the Commission in the evaluation of its regulations. He also announced that beginning in January 2008, the Commission will be holding a series of informational hearings.

Commissioner Remy also acknowledged the work of the Enforcement Division. He also mentioned that a friend, who had been dealing with the Enforcement Division, had found Maryann Kvasager and Jeanette Turvill extremely helpful.

Commissioner Leidigh stated that, in response to comments during the "Public Comment" portion of the agenda, he hoped the Commission would restore the dial-in service for Commission meetings.

Chairman Johnson adjourned open session at 11:30 a.m. and stated that the Commission would immediately go into closed session.

The Commission returned to open session at 12:20 p.m. Chairman Johnson advised that no reportable action was taken in closed session and adjourned the meeting.

Dated: August 21, 2007

Respectfully submitted,

Juanita Lira, Legal Secretary

Approved by:

Ross Johnson, Chairman